

March 16, 2015
Burlington Employees' Retirement Board
City Hall, Conference Room 12

Board Members Present: Jim Strouse (via phone) Matthew Dow
Bob Rusten Robert Hooper (via phone)
Jeff Wick Daniel Gilligan (via phone)
Munir Kasti (via phone)

Others Present: Stephanie Hanker (SH)
David Driscoll (via phone)
Mayor Miro Wienberger
Brian Lowe

1. **Agenda:**

No Changes to the presented agenda

2. **Discussion of Actuarial Methods and Assumptions:**

David Driscoll provided the Board with a spreadsheet comparing the open group method and the normal amortized schedule, to include the additional 2.5 million annual payments. David Driscoll stated the open group method takes into account new members coming into the system under the new benefits versus the closed group method, which will only increase 3.5% yearly. Munir Kasti asked if the 2.5 million would be annually. Bob Rusten stated the 2.5 million would be an additional contribution yearly. Jim Strouse stated using the open group method would be a more realistic method to adopt because it takes into account the moving parts versus the closed group. David Driscoll stated yes, it reflects additional considerations. Jeff Wick asked if the additional 2.5 million was not contributed when would the unfunded liability be leveled out. David Driscoll stated it would be approximately 10 years longer than the closed group method. Jim Strouse asked for clarification if the Board adopted a funding policy that stated the City would contribute the annual required contribution, plus expenses plus an additional 2.5 million annually would Buck provide the required annual amount using those three components. David Driscoll suggested the Board should pass an ordinance that stated that and that would direct them to compute the numbers that certain way. Bob Rusten stated that if the Board were to change the ordinance it should state the clearly defined goals. Bob Rusten stated it should read that under the open group policy and to obtain a zero balance by 2042, making it very clear what the goal is. Munir Kasti asked if the amortization went to 20 – 25 years would that get them to goal without using the 2.5 million annual additional contributions. David Driscoll stated that he would have to do the calculations. Jeff Wick stated he would

like a more simple way to do the amortization, more like a mortgage instead of the rolling amortization. Jeff Wick asked what the goal was, to chip away at the debt. Bob Rusten stated the goal would be to get a more realistic picture and a zero outstanding balance. Jeff Wick stated he liked the open group method as it reflects reality. Jim Strouse stated if the board went with the open group method and there are further reductions in benefits, this would be recognized in the future, with the closed group it would not. Jeff Wick asked what has to happen to get to the proposed changes. Bob Rusten stated the board would need to adopt a funding policy and adopt a different cost method. Jim Strouse stated David Driscoll will prepare another spreadsheet that changes the amortization and this can be looked at a possibly adopted on the 26th regular meeting.

3. Other Business:

No other business

Bob Rusten moved to adjourn, Matt Dow 2nd. Motion carries 7:0. Meeting Adjourned 9:55am.